

25X1

**CONFIDENTIAL**7/17  
17 July 1968

**MEMORANDUM TO:** Chief, Benefits and Services Division/OP

**FROM:** Chief, Insurance Branch/BSD/OP

**SUBJECT:** Clarification of Association Benefit Plan Policy  
(GMG 1799)

1. This memo is in response to your request for comments on Conway's letter of 26 June and the remarks by DD/Pers/SP on the routing slip that was attached to it. If it sounds like an exercise in confusion, it has been just that. I have attached copies of certain letters and memoranda from the files in order to establish a chronology of how I think this whole problem came about.

2. Several months ago a particular claim caused me to bring to Ben's attention the unpleasantness we go through, both for us and for the employee, whenever we receive a claim for treatment of attempted suicide. Such claims are few and far between, but when we got them, we were obliged by the terms of the policy to determine if they were related to a mental or nervous condition. In almost every case we could find some evidence of this which would permit us to consider the claim as a covered expense, but only after moments of embarrassment for the employee. Ben agreed that this was senseless and the underwriter was asked to delete treatment of attempted suicide from the exclusions of the policy. The underwriter was agreeable as evidenced by Conway's letter of 7 March (see attachment A). However, he stated that it should be handled administratively until renewal of the contract on 31 December 1968. Therefore, I was surprised to read Conway's letter of 29 April (see attachment B) which transmitted a copy of a formal amendment rider dealing with this matter. I was further concerned because I did not agree with the wording of the rider. It not only deleted the words "attempted suicide", but also deleted the words "(unless related to a mental or nervous disorder)" as an exception to the exclusion of alcoholism and drug addiction. I discussed this by telephone with Len and he suggested that I take it up with Conway at a meeting to be held a few days later in Ben's office. The meeting took place on 21 May and at that time it was learned that Ben had received correspondence from Mr. Ruddock of Civil Service Commission regarding removing our plan's exclusion of alcoholism and drug addiction. This was apparently why the definition of "hospital" also came up for discussion. Attachments C and D of this memo are copies of Memos for the Record which Ben wrote and which are now in Insurance Branch

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Excluded from automatic

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files. They indicate agreement by the underwriter to delete in total the exclusion on alcoholism, drug addiction, and self-inflicted injuries. Conway's letter of 3 June (see attachment E) gives a definition of "hospital" which differs little from our present definition (affixed to attachment E) and further states that our present definition is adequate. Attachment F is Ben's response, pointing out that no specific mention was made of total removal of the exclusion. This brings us up to Conway's 26 June letter about which you requested my comment. It enclosed a 17 June letter from Al Randall which agrees to a modification of the exclusion rather than its deletion. In my opinion, that modification is unacceptable. If it is intended solely to exclude charges of places specializing in the treatment of alcoholism, it is unnecessary because our present definition of hospital takes care of that. However, the modified exclusion could be interpreted to mean that treatment of alcoholism is covered only while the patient is in a "hospital" and this would defeat the purpose of our requesting complete deletion of the exclusion.

3. I think the whole matter should be resolved by a letter from Ben to Randall stating that:

a. It was our understanding that the exclusion pertaining to alcoholism, drug addiction, and attempted suicide was to be deleted in its entirety,

b. Because of this understanding, a total deletion of the exclusion was requested from the Civil Service Commission and they concurred,

c. The definition of "hospital" in the current brochure is sufficient to rule out any abuse of the plan through utilization of places existing solely for rest cures or withdrawal,

and

d. We request that the letter of understanding be rewritten to indicate total deletion of the exclusion pertaining to alcoholism, drug addiction, and attempted suicide, without any qualification.

Attachments:  
As stated



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downgrading and

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM			
UNCLASSIFIED		CONFIDENTIAL	SECRET
<b>OFFICIAL ROUTING SLIP</b>			
TO	NAME AND ADDRESS	DATE	INITIALS
1	C/BSO	July 17	ha
2	DC BSD	27-5	me
3	C/IB		
4			
5			
6			
ACTION		DIRECT REPLY	PREPARE REPLY
APPROVAL		DISPATCH	RECOMMENDATION
COMMENT		FILE	RETURN
CONCURRENCE		INFORMATION	SIGNATURE
<b>Remarks:</b> The last communication I saw on this subject led me to believe that no change had to be made in the brochure. Consequently, why have we now received this? If, in fact, our brochure is all right as now prepared, let's not bother. On the other hand, if we have to make a change please confirm that the suggested change is consistent with the language currently in the Blue Cross brochure. Len and Bill will remember that in our meeting with Randall we agreed to have the same definition of a hospital as was then stated in the Blue Cross brochure.			
<i>#2 Comments Please</i> FOLD HERE TO RETURN TO SENDER			
FROM: NAME, ADDRESS AND PHONE NO.			DATE
DD/Pers/SP 5E47 HQ			9 JUL 1968
UNCLASSIFIED		CONFIDENTIAL	SECRET

FORM NO. 237 Use previous editions

FORM 44C  
11-58  
OBSOLETE PREVIOUS EDITIONS

ABSTRACT FILE SLIP (18)

2 July 1968

RIA 5001

From Mutual of Omaha - 26 June 1968 -  
 Is a change necessary in brochure? If so,  
 the language is consistent with Blue Cross  
 definition of hospital, etc

STAT

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**OF OMAHA**



MUTUAL OF OMAHA INSURANCE COMPANY

*your good neighbor*

V. J. SKUTT  
CHAIRMAN OF THE BOARD

D. D. ULFERS  
PRESIDENT

HOME OFFICE OMAHA, NEBRASKA

June 17, 1968

Government Employees Health  
Association, Inc.  
P.O. Box 463  
Washington, D. C. 20004

Group Policy GMG-1799

Gentlemen:

Effective June 1, 1968, Mutual of Omaha Insurance Company hereby agrees to modify the fifth item of the Exclusions of brochure form BRI (Rev.) Jan. 1968 to read "Treatment of alcoholism or drug addiction in an institution other than a hospital."

It is our understanding that this change will be incorporated in the brochure when it is next reprinted.

Sincerely,

A. W. Randall  
Executive Vice President

njb

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MUTUAL OF OMAHA INSURANCE COMPANY

V. J. SKUTT  
CHAIRMAN OF THE BOARD  
D. D. ULFERS  
PRESIDENT

HOME OFFICE OMAHA, NEBRASKA

WASHINGTON, D.C., REGIONAL GROUP OFFICE  
SUITE 1201, 1750 PENNSYLVANIA AVE., N.W.  
WASHINGTON, D.C. 20006  
223 8084

NORMAN C. CONWAY  
MANAGER

June 26, 1968

PERSONAL & CONFIDENTIAL

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[Redacted]  
Government Employees Health  
Association, Inc.  
Post Office Box 463  
Washington, D.C. 20044

STAT

Group Policy GMG 1799

Dear [Redacted]

I am enclosing a letter of understanding signed by  
Mr. A. W. Randall, Executive Vice President, Mutual  
of Omaha, amending the restriction on alcoholism and  
drug addiction effective June 1, 1968.

Sincerely,

*N. Conway*  
Norman C. Conway  
Regional Manager

NCC:sak  
Encl.